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INTELLIGENCE MEMORANDUM

THE NEW REGIME IN GHANA

DIRECTORATE OF INTELLIGENCE

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CENTRAL INTELLIGENCE AGENCY
Directorate of Intelligence
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INTELLIGENCE MEMORANDUM

The New Regime in Ghana

1. After years of steady leftward movement under Nkrumah, the political pendulum in Ghana has suddenly veered sharply to the right. Within a matter of hours on 24 February, long disaffected senior army and police officers toppled the Osagyefo's authoritarian, Marxist-oriented power structure and set Ghana on a fundamentally different course. In terms of the country's foreign affairs, this has already resulted in a dramatic curtailment of the old regime's extensive involvement with the Communist world and brought other changes having the effect of putting Ghana in line with the moderate African states. Ghana had been the most dependable African base of operations for the Communist world. Internally, the intention at least for the present apparently is to reconstruct the body politic within a framework inspired in large measure by liberal Western values. So far, this profound upheaval has received overwhelming popular approval.

2. At this early date, however, it cannot be considered certain that Ghana will make orderly progress along the altered course. The new regime appears to have taken hold quickly and effectively, but it is still very much in its initial shakedown phase, and lines of real authority and influence are embryonic. Above all there is the extremely difficult economic situation inherited from the Nkrumah era. The new leaders seem realistically appreciative of the magnitude of the problem facing them on this front--indeed, the current [illegible] economic plight of basically wealthy Ghana was a primary consideration prompting them to depose Nkrumah. However, the

APPROVED FOR RELEASE
DATE: APR 2001

realities are such that it would seem very likely that neither the new leadership nor foreign friends can appreciably ease the severe economic squeeze on the populace in the weeks immediately ahead. The degree of severity will depend in part on how far the austerity reform measures are actually implemented. Another conditioning factor will be the new regime's success in obtaining fast delivery of desperately needed imports.

The Current Situation in Ghana

3. Two weeks after the coup there is no question that the forces which carried it out are firmly in control throughout the country. All regular army units and even the special presidential guard evidently rallied to the elements which spearheaded the operation within a few hours of its initiation. The well-organized network of police, disarmed and purged by Nkrumah two years ago following an attempt on his life by a policeman, has been rearmed, giving the new regime additional muscle. The small air force and navy have also endorsed the change.

4. It is similarly clear that Ghana's present rulers enjoy the enthusiastic support of the vast majority of the populace. The US Embassy in Accra has reported that the publicized anti-Nkrumah demonstrations there have for the most part been genuinely spontaneous. No curfew has been imposed and none has been needed at any time since the coup, and military personnel were removed early from the streets and most nonmilitary installations. Moreover, not one of the many prominent Ghanaians outside the country at the time of the coup has declared for Nkrumah. Most top officials who were traveling with Nkrumah, even old ones who were personally close to him, have returned to Ghana and pledged support to the new government.

5. This reaction among Ghanaians bears out recurrent indications in recent years that virtually all segments of the country's society had become alienated from Nkrumah, the hero of independence nine years ago. The erosion of his once massive popularity stemmed mainly from his arbitrary rule, his pro-Communist proclivities, and, especially, the economic

APPROVED FOR RELEASE
DATE: APR 2001

squeeze and dislocations felt at all levels beginning abut 1961.

6. Since 24 February Ghanaian affairs have been directed by a National Liberation Council (NLC), composed now of eight army and police officers. It is headed by popular General Ankrah, whom Nkrumah had fired on suspicion of disloyalty last summer, and includes the two prime movers of the coup, police chief Harlley and General (then Colonel) Kotoka. The latter lined up the essential military support from his former position in command of one of Ghana's two army brigades. Although not a great deal is known about any of the members of the government, they all have reputations for professional competence. The key leaders, at least, are personally anti-Communist and pro-Western, although they have heretofore eschewed active politics in accordance with the British tradition in which they were schooled. They seem likely to be particularly friendly to the US.

7. The new leadership, inexperienced in civil administration, is backed up by some half dozen important new functional committees made up of senior civil servants and specialists. Apparently the most important of these is an Administrative and Political Committee which reportedly stands between the NLC and the other committees dealing with such specific areas as foreign affairs and the economy. Again, all persons named to these various committees are reputed to be competent professionals. Most of them, including all members of the key economic committee, are believed to be favorably disposed to the West.

8. Among Britain's African dependencies, if not all of Black Africa, the indigenous civil service inherited by free Ghana in 1957 was the most solid and best prepared for independence. Despite Nkrumah's progressive estrangement from the West, especially after 1960, most of these civil servants remained Western oriented. Some top-flight ones were so keenly dissatisfied with Nkrumah's regime that they found employment outside the country. Many of those who remained were outspokenly critical, in private, of Nkrumah's arbitrary rule and leftist policies.

APPROVED FOR RELEASE
DATE: APR 2001

9. Many of Nkrumah's instruments of personal rule collapsed immediately and since the day of the coup the new leadership has been focusing heavily on dismantling Nkrumah's remaining power structure and laying the foundations for the "new Ghana." Beginning with the dissolution of Nkrumah's formerly pervasive political party, all the organizations and institutions used to perpetuate his control have either been suppressed entirely or, like the press and the Ghana Trades Union Congress (GTUC), are being thoroughly purged and revamped. All available political officials and leading party activists of the old regime are evidently still being detained, although reportedly most are to be released fairly quickly. Commissions of inquiry have been set up to probe official corruption under Nkrumah. Some 1,000 political prisoners, most of whom had been incarcerated under the hated Preventive Detention Act first passed in 1958, have been set free. Not included among these were the two one-time close Nkrumah associates whose acquittal at a treason trial in 1963 prompted Nkrumah to emasculate Ghana's previously independent judiciary.

10. Among major policy changes actually announced--notably by General Ankrah in important speeches on 28 February and 2 March--those in the economic realm are the most basic and significant. They have been accompanied by denunciation of the mismanagement, waste, and corruption of the old regime.

11. Although the stated general aim of the new leaders is a "progressive welfare society," the intent clearly is to reverse the official commitment, under Nkrumah, to a ruinously inefficient variant of state socialism. Ankrah, guided by the Western-oriented economic committee, has indicated that future emphasis will be on enlarging the private sector, partly at the expense of some of the existing state corporations. Government spending, especially for nonproducive prestige projects and African programs so favored by Nkrumah, is to be sharply retrenched. Publicly, stress has been placed on national self-reliance, but the new regime obviously is counting upon major help from Western countries.

APPROVED FOR RELEASE
DATE: APR 2001

12. Specific actions already taken under these new guidelines designed to get the economy moving again include curtailment of operations by the national airline--long a heavy money loser--and abandonment of Nkrumah's overly ambitious seven-year development plan. A new plan is to be prepared during a two-year stock-taking period beginning with the introduction of a new, reduced-expenditure budget next July. To provide some immediate relief to the populace, the stiff social security tax and some customs duties and sales taxes on certain essential imports have been reduced. Existing trade pacts under which an increasing proportion of Ghana's trade had been diverted to Communist countries in recent years are to be respected, but will be reviewed as part of a general, long-term move toward greatly reduced trade controls. All Soviet and Chinese development projects have been suspended for the present, and Ghana's representation abroad reportedly is to be cut back sharply. At the same time, approaches have been made for some $100 million in Western aid for the remainder of 1966 to meet external liabilities and to finance imports.

13. This profound economic shift comes at a time when Ghana's economy had reached a new nadir. For the average Ghanaian, visible ills include rampant inflation--25-30 percent over the past year--rising unemployment, declining real incomes, and food and consumer goods shortages. From a national perspective, they are highlighted by a national debt massive for a country such as Ghana--$1.1 billion--and serious trade and budget deficits.

14. Less visible, but equally serious, is the general structural imbalance of the economy. Excessive government spending not only generated the deficits and debt, but also led to investment in long-term projects which are nonproductive and in some instances totally useless. Many of these debts will fall due in the next few years. Such investment was most often financed by short- or medium-term "supplier credits" at high interest rates. Imports were progressively directed to the public sector while those for the private economy were reduced, with the result that prices of consumer goods spiraled upward and manufacturing and commercial firms were frequently forced to reduce or suspend operations for lack of vital materials.

APPROVED FOR RELEASE
DATE: APR 2001

15. Nkrumah blamed Ghana's economic woes on the decline in world prices for cocoa--Ghana's chief export--since the late 1950s. Actually, however, cocoa earnings have remained remarkably stable despite price fluctuations. The current critical impasse is almost wholly attributable to irrational expenditure by the government. As a result of Nkrumah's forced-pace socialism, at least two thirds of the wage-earning labor force was employed by the government on the eve of the coup. At the same time, declines in private investment and employment had not been counterbalanced by increased production from the enlarged public sector.

16. From the outset the new rulers have publicly denied that their accession to power meant any "automatic" changes in foreign policy and have stressed their adherence to Ghana's long-standing official policy of nonalignment. According to Ankrah, the only difference would be that henceforth this posture would be followed strictly "in theory and practice" in contrast to the "lip-service" observance by Nkrumah--a clear allusion to the deposed president's general identification with the Communist world.

17. So far both deeds and private words have in fact added up to a very abrupt and extensive curtailment of Ghana's involvement with Communist countries in favor of closer ties with the West. This basic policy shift was most dramatically illustrated by the expulsion of all Soviet and Chinese technicians ordered on 28 February, presumably largely as a security measure. The evacuation of the Chinese, totaling approximately 175 advisers and their families, was substantially completed within four days. The exodus of the much larger Soviet contingent--at least 500 technicians plus dependents--is expected to continue until mid-March. After that the presence of Chinese and Soviets in Ghana is supposed to be confined to 18-member embassy staffs and a few press representatives. Reported pressure from some military members of the NLC for a complete rupture with the two Communist powers has so far been overruled by concern, especially on the part of Harley for the credibility of the new regime's professions of nonalignment.

APPROVED FOR RELEASE
DATE: APR 2001

18. Other actions immediately detrimental to the Communists include the expulsion of East Germany's small trade mission, which had enjoyed quasi-diplomatic status under Nkrumah, and the revocation of Aeroflot's landing rights, forcing a suspension of its Accra service. The latter action followed receipt of news on 28 February that a special aircraft of the Soviet civil air line was transporting Nkrumah from Peking to Moscow and reflected fear that the Russians might try to fly him back into Accra.

19. Ghanaian missions in Eastern Europe evidently will be among the first to be closed out in the current economy drive. Communist countries are likely to be distressed, however, should a mass exodus of Ghanaian students there set in as a result of a reported invitation by the NLC to all students who are "unhappy" with their conditions to come home. There are some 1,000 such Ghanaians in Communist countries and they have frequently been at the center of altercations involving African students.

20. In contrast with these developments, the new regime has already resumed diplomatic relations with Britain, which Nkrumah had severed last December over Rhodesia. Moreover, the key leaders have repeatedly expressed in private their good will toward the US. On one occasion, Ankrah, in a perhaps not entirely happy parallel, said he looked forward to developing with the US ambassador a relationship just as close as Nkrumah had had with the Soviet representative.

21. A similarly sharp policy reversal is being implemented in African affairs, a sphere in which Nkrumah expended major sums of money and much energy in pursuit of grandiose dreams of primacy in a politically united continent. Announcing flatly that "the days of harboring and training political refugees to subvert other independent states are over," Ankrah has pledged to honor the nonintervention principles of the Organization of African Unity (OAU). The new leaders' sincerity in this connection was underscored by their closing, on the very day of the coup, of the secret subversion camp at which successive groups of "freedom fighters" from a variety

APPROVED FOR RELEASE
DATE: APR 2001

of independent countries and still dependent territories received training in guerrilla techniques from Chinese Communist instructors. Subsequently, some of the refugees involved in such activities were placed under detention.

22. Special reconciliation missions are soon to visit Ghana's immediate neighbors, all estranged by Nhrumah, who regarded them as neocolonialist puppets. Ankrah has also indicated that his government will work to strengthen the OAU as an organization of equal sovereign states. He pledged support for efforts of its African Liberation Committee, generally ignored by Nkrumah, to speed the liberation of remaining colonial territories. Such actions and assurances have contributed to the prompt recognition of the new Ghana regime by a significant number of the moderate African states.

The Short-Term Outlook

23. There seems to be no reason why Ankrah and his associates should not remain securely in power and continue Ghana's new Westward-inclination in the months immediately ahead. No domestic pressure points or interest groups with a significant potential for threatening the new status quo have been identified. Nkrumah's leftist sycophants, even if soon released from detention, would have little chance of stirring up trouble should they be so inclined. With the possible exception of labor leader John Tettegah, they had no "constituency" of their own, but were always entirely dependent on Nkrumah's favor. Tettegah, a tribal brother of the principal coup leaders and above all an opportunist, might well land on his feet somewhere in the new regime. In any event, the security services, now being revamped under Harlley's supervision, will presumably keep a close watch over possible dissidents. This prognosis, clearly favorable in terms of Western interests, would be adversely affected by any serious falling out or factionalism among NLC members, a development not now in sight.

APPROVED FOR RELEASE
DATE: APR 2001

24. Although the new leaders have professed a desire to return to representative civilian government "as soon as possible," they apparently will be in no hurry to implement their promise of a new constitution and free elections. Moreover, Ankrah, at least, seems to be rapidly developing the personal political ambition he has denied and initially seemed not to have. On 1 March he indicated privately his disinclination to turn back power any time soon to politicians, including any of the anti-Nkrumah exiles who now may try to resume an active role in Ghana. He reportedly now favors retention of control by the NLC for approximately two years and is considering offering himself for election--presumably as head man--when a civilian government eventually is formed. For the present all political parties and activity are banned and all the politicians are out of the picture.

25. As the new regime settles in, the special new committees of high-powered civil servants seem likely to play an increasingly important role. They are already reported to be exercising more and more influence on the NLC, most of whose members are not equipped for policy formulation. Recent statements asserting the NLC's dedication to the "fight" against colonialism and racial discrimination "in every part of the world" may well be a direct reflection of this. The composition of the foreign affairs committee--one of its members formerly headed Nkrumah's activist African Affairs Secretariat--strongly suggests that it is probably trying to move the NLC back toward a more militantly "African" posture. In the future greater efforts may also be made to strengthen the regime's avowed nonaligned image.

26. The new leaders will for some time probably be highly jumpy about the intentions of Nkrumah, but his prospects for obtaining any significant material support appear dim. The ousted president's continued presence in Guinea has helped sustain this nervousness and the NLC's consequent susceptibility to all sorts of unconfirmed reports about foreign-supported plans to restore Nkrumah by force. Two such reports available here are certainly highly exaggerated at best. At present there is no firm evidence that any power which could make a meaningful contribution to such a project has agreed to do so. Moreover, Nkrumah himself, in a private conversation late last week

APPROVED FOR RELEASE
DATE: APR 2001

and again in his speech broadcast from Conakry on 6 March, appeared resigned to his inability for now to do anything to reverse the coup.

27. At the least, the new regime's intra-African relations promise to be complicated for some time by the more radical African regimes' emotional opposition to Nkrumah's ouster. In addition to Touré's frenetic and essentially empty gestures in Nkrumah's behalf, Egypt's Nasir now appears inclined to play a leading role in organizing further African expressions of disapproval of the coup. There are indications that plans are afoot to hold a conference partly for this purpose in Cairo later this month. Meanwhile, Zambia has moved formally to terminate active relations with Accra, while the NLC itself has initiated a rupture with Guinea.

28. For the immediate future, however, the economic crisis will almost certainly remain the most pressing and potentially damaging problem facing the new government. Serious foreign trade deficits cannot be reduced in the short run, since rising imports are necessary to relieve shortages of consumer goods and to revive private manufacturing and commercial activity. Similarly, exports cannot be quickly diversified or markedly increased. Most of the cocoa crop has already been sold for this year, much of it committed to the USSR. Other important exports--diamonds, gold, manganese, timber, and bauxite--have been stagnant or declining. Domestic food production cannot be increased immediately either, although the government has appealed to the farmers to increase plantings during the coming rainy season. Moreover, the apparent determination to reduce government spending and otherwise to decrease governmental participation in the economy promises to swell unemployment until the presently battered private sector can be rejuvenated sufficiently to take up the slack.

29. The government's proposed tough economic measures would probably accelerate the dissipation of the euphoria in which most Ghanians currently appear to share. If the further hardships which appear inevitable over the next few months are severe, they could lead to grumbling and perhaps even some strikes and disturbances, although hardly, it would

APPROVED FOR RELEASE
DATE: APR 2001

seem to any ground swell of support for Nkrumah's restoration. Sensitive to these possible repercussions, the NLC has begun to warn the populace that the country's economic problems cannot be resolved quickly and that continued austerity will be required for about two years. Efforts are being made to foster a lasting identification of the economic troubles with the old regime.

30. Some significant help is in sight. With the new leaders evidently prepared to move forward quickly with a stabilization program along the lines recommended by the International Monetary Fund last year, Ghana's prospects of obtaining upwards of $30 million from the IMF now are bright. Meanwhile, West Germany and Britain are evidently prepared to help keep the new regime afloat financially and provide basic food supplies until the international arrangements are worked out. In addition, British technical assistance will be offered, and London banks are expected not to press for immediate settlement of Ghana's short term debt to them.

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